



مركز المشروعات الدولية الخاصة

ملحوظة

في حالة ظهور رموز غير مفهومة في النص الذي بين يديك يرجع هذا إلى خطأ في الطباعة وبيعادة طباعته بصورة سليمة يرجى زيارة الرابط الآن www.cipe-arabia.org/pdfhelp.asp

Corporate Governance
In Small and Medium Enterprises (SMEs)
Armand Pharès, President of the Lebanese Businessmen Association (RDCL)
Thursday June 3, 2004 - Session 14:30-16:00
Crowne Plaza Hotel

1. Corporate Governance Principles for SMEs

Small and Medium Enterprises and Family Owned Enterprises constitute 95% of business in Lebanon.

The principles of corporate governance concern SMEs and FOEs as well as companies quoted in the stock market.

Corporate Governance Principles are not new in business life. They are traditionally part of the business "culture" (reputation and trust) and are the principles that allow business to establish rules of cooperation "within" but also "beyond" the framework of laws and regulations.

Why do Corporate Governance Principles of importance to SMEs:

- Healthy development of its internal structure.
- Being viewed as really servicing the city and generating a real "value-added".
- Increasing competitiveness.
- Gaining market share and increasing sales.
- Preparing oneself to future developments through opening capital and bringing new blood.

Corporate Governance Principles address a number of issues within the SMEs and in the relations between the SMEs and their suppliers, clients, public administration:

- Separation between management and ownership,
- Good Management Practices (professionalism, human resources management and respect,
- Fair Competition,
- Disclosure, Transparency, towards third parties (partners, suppliers, clients, public administration),
- Conformity with laws and regulations
- Fair Competition

There may be a "cost" of being transparent and the necessity of reducing such costs to encourage businesses to adopt transparency rules.

2. Corruption

Think « Corruption » and you think « Ethics ». Think « Ethics » and you think a « scale of values ». In constant gestation within a group, a society, a nation, this « scale of values » is rarely imposed from without. It is the one implicitly adopted by the ruling class (whether political, religious or military...) with the double aim of securing its hegemony and maintaining social peace. It is as much the condition for as the consequence of justice and is, in any event, inseparable from it.

There is corruption each time we can detect an abuse of power, whether political or administrative, social or economic, public or private, with a view to obtaining for oneself or to procure to a third party, even through perfectly legal means, a service, an asset or an administrative, social or economic advantage or privilege (a right, authorisation, license, concession, etc...) in return for a material or moral compensation which the holder of the position of power would not be otherwise entitled to by virtue of his position.

In view of such a definition, a state of absolute non-corruption is clearly non-existent. The same applies to democracy or justice. These are states towards which societies and nations strive only after they have assimilated their absolute necessity, and accordingly, begin to enact the required laws and to educate citizens to abide by them.

3. Ways to fight Corruption

To contribute to the national debate on various aspects of individual and social behaviour conducive to corruption with the objective of reaching the following goals :

a) To clearly identify the nation's true values through :

- Equality of all citizens before the law and before administrative bodies above all affiliations.
- Public recognition of competence and of rectitude.
- Neutralisation of « parasites », « scroungers », « blackmailers » of all kinds
- Adoption, on a nation-scale, of identifiable and measurable transparency criteria for each sector of public life, and particularly those applicable to the authorities that will be entrusted with anti-corruption campaigns.

b) To build an « Administration at the Service of Citizens » through :

INCENTIVES FOR PUBLIC OFFICIALS TO :

- develop a positive attitude towards public service
- adopt a policy of transparency with regard to their activities and the accounts of their ministries.
- establish a relationship of trust between citizens and the civil service through the procurement of «equally shared » and « easily processed » public services.

Gradual « clean-up » of public administration.

Formal training of public officials through a national « School of Public Administration ».

c) To develop a spirit of citizenship through :

- Educating citizens to choose their political/municipal representatives on « objective » grounds and to understand that they have obligations as well as rights.
- Inciting citizens to be loyal to their nation and to abide by its laws.

4. RDCL contribution : Code of Ethics.

4 years ago, RDCL has included within its working committees a special one dedicated to Business Ethics then jointly to Management Systems and Business Ethics.

RDCL has worked out two "Code of Ethics & Standards of Conduct":

- one oriented to RDCL members and any executive or business owner in general, or the top managers,
- one oriented towards the employees of a company.

5. Plan of Action.

- Disseminating the Code of Ethics among all Business Associations in order to discuss its content and agree on it.
- Working with the Task Force on Corporate Governance to identify the Principles that apply to SMEs and FOEs in Lebanon.
- Working on Anti-Corruption campaigns that inspire credibility and determination.
- Defining objective Criteria that will identify the companies who apply the code of ethics and corporate governance principles.
- Creating an institution capable of identifying the companies who apply the Code of Ethics and Corporate Governance Principles.
